



Remarks For

The Hon. Steven C. Preston
Administrator
U.S. Small Business Administration

Delivered At The

**NATIONAL AWARDS LUNCHEON- HONORING
PROCUREMENT AWARD WINNERS**

Washington, DC

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11:30 am

Thank you, Jim for the nice introduction.

I am glad to reunite with you all and hope you enjoyed our kick off briefing earlier this morning.

I would like to thank Congressman Steve Chabot from Ohio for participating at our luncheon today.

I would also like to thank our exceptional co-sponsors for their support and contributions to small business. Thank you to:

- SCORE, Counselors to America's Small Businesses
- Sam's Club
- IBM
- BAE Systems
- Raytheon
- MasterCard
- and Lowe's.

Later on in the program, we will hold our first awards ceremony for Small Business Week, honoring small business leaders in the area of procurement for their outstanding leadership, advocacy and innovative ideas.

Our honorees today are in business with one of the largest purchasers of goods and services, the U.S. federal government. And because of federal mandates and programs administered by the SBA, small businesses received \$80 billion in revenue from prime contracts in 2005 alone.

As many of you have heard me say, ensuring that small businesses get access to federal contracts is not just an issue of fairness, but it is good business.

Small businesses perform well as suppliers of goods and services to our government. Their size makes them flexible, innovative, and often more competitive than large companies.

In order to help small businesses secure government contracts, federal agencies have goals for small business procurement. SBA negotiates the goals annually with each federal agency on an individual basis, with the overall small business goal for the federal government being 23 percent.

SBA is committed to maintaining an environment where small businesses will flourish, and enter the federal marketplace as equal competitors, and we continue to make progress advancing that mission.

Changes in Government Contracting

In order to provide a fair yet competitive procurement environment for small businesses, we are driving a higher level of accuracy in federal contracting data, issuing new regulations to ensure that small business contracts are in fact contracts with small businesses, and bringing greater transparency to the quality of the effort federal agencies are putting into their small business procurement programs.

Data Accuracy

In late September, I issued a memorandum, along with Administrator Paul Dennett of the Office of Federal Procurement Policy, requiring that agencies review and update their 2005 procurement data, and identify any necessary changes to help eliminate confusion and inaccuracies in the database going forward.

With millions of contacting actions each year, agencies will need to certify the accuracy of this information. This necessary change will help the government achieve a much higher level of data integrity in future years, and we expect to see the results of better data and better transparency very soon.

Recertification

In addition, we have implemented a new recertification requirement for small business contracts.

Previously, the size of a business was determined at the time that a firm submitted its proposal for a contract and that classification was good for the life of the contract, even if the business grew to become very large during the contract or was acquired by a large firm.

Under a revised regulation, beginning in June, small businesses will be required to demonstrate that they are still a small business at the end of the first five years of a long-term contract and when a subsequent contract option is exercised. In addition, when a small business is purchased by a large business, its contracts will no longer qualify as small business.

Scorecard

I believe that what gets measured gets managed, so we implemented a Small Business Procurement Scorecard. This Scorecard will measure all federal agencies on their small business contracting performance and grade them on their performance. That rating will be made public.

It will allow each agency to tell the full story of its small business achievement—not only by tracking and monitoring the status of each agency's small business goal achievement—but by measuring the progress it is making toward that achievement.

More accurate data, tighter certification requirements and transparent progress ratings will all help small businesses along the path of garner their fair share of government contracts.

SBA's Role

These changes reflect a better way for small businesses to do business with the government. However what resources are out there to help small businesses secure government contracts? The SBA has a number of programs and initiatives that are designed to help increase contracting opportunities.

As some of you may know, SBA's HUBZone Program is designed to provide federal contracting preferences to small businesses in markets with higher unemployment and poverty levels, often in urban and rural communities. The HUBZone Program is an important tool we have to support our efforts to invigorate entrepreneurship in underserved markets.

In addition, the SBA administers two particular business assistance programs, the 8(a) Business Development Program and the Small Disadvantaged Business Certification Program.

The 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, such as our mentor-protégé program which groups new 8(a) companies with experienced businesses to learn the ropes of government contracting.

SBA government contracting programs also help target other preference groups within the community like businesses owned by Services Disabled Veterans and Women.

To further help entrepreneurs seek government contracts, SBA offices across the country conduct matchmaking sessions where they bring government contractors and small business owners together in one room. These sessions provide an excellent opportunity for small businesses to get matched with a government contractor.

In addition, we are expanding the number of procurement center representatives at the SBA who work with federal agencies to insure that qualified small businesses get a fair shot at contracts. And through our field offices and a network of Procurement Technical Assistance Centers maintained by the Department of Defense, we help businesses work through the complexities of the Federal contracting process.

For more information on local business matching events and procurement center representatives, you can visit www.sba.gov.

Conclusion

So, by tightening the rules, insisting on clean data and making it public, putting performance measures in place and making them public, and increasing the number of our government procurement officers and conducting matchmaking event throughout the country, we are opening up more opportunities for the small businesses of America to do business with the Federal Government.

Our 2007 procurement honorees today are a reflection of how doing business with the government can pay off. These individuals demonstrate the spirit of entrepreneurship in the procurement environment.

It is with great pleasure the SBA was able to provide our programs and services to our honorees today.

Thank you and congratulations again to our winners.

Congressman Chabot Introduction

It is my great pleasure to introduce our next speaker. Congressman Steve Chabot, representative for the first district of Ohio, which encompasses most of Cincinnati, its western suburbs and southwest Butler County. Mr. Chabot is the Ranking Member of the House Small Business Committee and serves as a leading advocate for small business.

If there is anyone who understands the important role small businesses play in our economy, it is Congressman Chabot. He is working to continue efforts to improve the national economy, spur economic growth and create jobs -- areas which small businesses affect and are affected by. Currently, he is examining the impact of New Markets Tax Credits and the 504 loan program on Cincinnati neighborhoods as Congress is considering proposals to renew and improve important small business investment programs. His objective is to use the redevelopment occurring in some of the most distressed neighborhoods in Cincinnati as a model for other communities throughout the nation.

Congressman Chabot is also a big advocate of tax cuts for working families, which would put money back in your pockets. Congressman Chabot supported legislation which Congress passed in 2001 that cut taxes for all taxpayers, increased the child tax deduction, increased the student loan interest deduction, increased the maximum IRA contribution, and eliminated the federal death tax. In 2003, he also supported the tax relief that accelerated the 2001 tax cuts and reduced taxes on dividend income which was also passed by Congress.

Congressman Chabot is an outstanding supporter of small business as well putting your hard earned tax dollars back where they belong, in your wallet.

Please help me give a warm welcome to Congressman Chabot.